

POPULAR ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2018
City of Griffin, Georgia





TABLE OF CONTENTS



Financial Report Message	4
Vision, Mission, Values	5
Quick Facts	6
Location	7
Elected Officials (Commissioners)	8
Organizational Chart	8
Definitions	10-11
Financial Information	17-26
Awards	15
Component Units	27-28
Purpose of Financial Report	29
Contact Information	29
The Complete Annual Budget and Comprehensive Annual Financial Report are available at City Hall and the City's website www.cityofgriffin.com .	

FINANCIAL REPORT MESSAGE

We are pleased to present the City of Griffin's Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2018. This is the City's tenth PAFR, and is formulated as an easy to read version of the City's Comprehensive Annual Financial Report (CAFR) that we publish on a yearly basis.

The Comprehensive Annual Financial Report (CAFR) is a detailed account of the City's financial statements, notes, schedules, and statistics. The CAFR was prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by Mauldin & Jenkins, Certified Public Accountants, LLC, 439 Mulberry Street, Post Office Box 1877, Macon Georgia 31202-1877.

The CAFR received an unmodified opinion. A copy of our CAFR can be found on the City's website under Departments, Administrative Services, Finance, Finance Reports

<http://http://www.cityofgriffin.com/Departments/AdministrativeServices/Finance/FinanceReports/PopularAnnualFinancialReports.aspx>.

The Popular Annual Financial Report (PAFR) provides citizens with an overview of the City's revenues, expenditures, and general information, in a simplified interpretation of the CAFR. The PAFR is prepared by the Department of Administrative Services, Finance and Accounting staff and is not obligated to be audited under GAAP rules.

Thank you for your interest in the City of Griffin's government and its functions. Please feel free to comment or offer suggestions on the PAFR to Markus Schwab, CPA/CITP/CGMA, Chief Financial Officer, email mschwab@cityofgriffin.com.

Respectfully submitted,

Kenny Smith

City Manager

VISION | MISSION | VALUES

VISION

The City of Griffin shall be a model of excellence in local government; and a safe, well-planned community with equal opportunity for all.

MISSION

In partnership with our community, the mission of the City of Griffin is to protect and enhance the quality of life by providing a high level of service in an efficient and responsive manner for all the citizens.

VALUES

- We believe in honest, open, and democratic government.
- We are dedicated to the highest ideals of honor and integrity in order to merit the respect, trust, and confidence of the citizens of Griffin.
- We believe our primary responsibility is to those who live, work, visit, or otherwise come in contact with our City. We are committed to enhancing the quality of life by providing exemplary services.
- We believe that the employees of the City are its most important resource and through them, we will accomplish our mission and vision. We will support the employees with dignity, respect, and fairness.
- We believe it is important to listen to our citizens and be sensitive and responsive to their needs.
- We believe that proper planning, training, and teamwork will fulfill our mission and vision for the future of the City of Griffin.

QUICK FACTS



Services: Police, Fire, Electric, Water, Sewer, Storm Drainage, Streets, Solid Waste, Airport, Parks, Recreation, Planning and Economic Development, and Fiber networks.

Form of Government: Board of Commissioners/Chairperson/City Manager

Governing Body: 6 District and 1 at-Large Commissioners are elected to four year terms

Population - (2014 est.): 23,329

Number of Households - 2014: 8,554

Median Age - (2015 Citi-Data): 33.6

Median Household Income - (2016 Citi-Data): \$32,209

Planning Area (square miles): 14.5

Incorporated (square miles): 14.5

Acres of Parks: 190

Operating Budget - 2018: \$105M

Employees: 460

2018 Operating Millage Rate (City): 7.639

2018 Total Operating Millage Rate (State, City, County, & School): 42.24

2018 Sales and Use Tax Rate: 7%

Incorporated: 1843

LOCATION

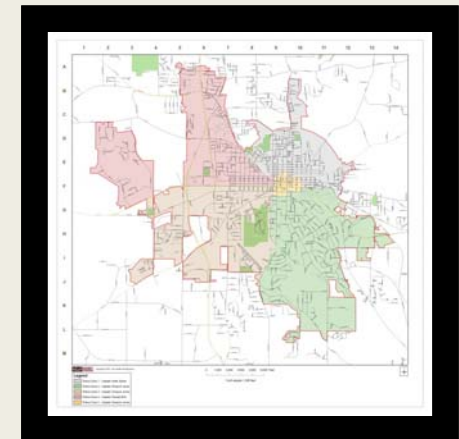
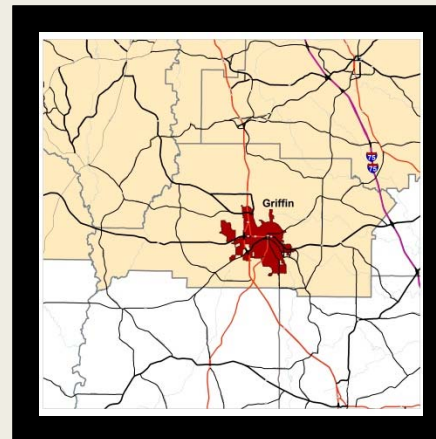


The City of Griffin is located in Spalding County along Highway 16 just west of I-75 with easy access to Griffin-Spalding County Municipal Airport.

Griffin is a major employment center for Spalding County and serves as a regional retail and service provider for counties south of the Atlanta metropolitan area.

The City's location has several advantages that have helped sustain its economy over the years.

- Proximity to Hartsfield-Jackson Airport
- Midway between Interstates 75 and 85
- Access to the amenities of Atlanta while retaining its historic heritage
- Important regional center midway between the cities of Atlanta, Macon, and Columbus



COMMISSIONERS *and* ORGANIZATION CHART



Cynthia Reid
Ward,
Commissioner
District 1



Cora Flowers,
Commissioner
District 2



Holly Murray,
Commissioner
District 3



Douglas S.
Hollberg,
Commissioner
City At-Large



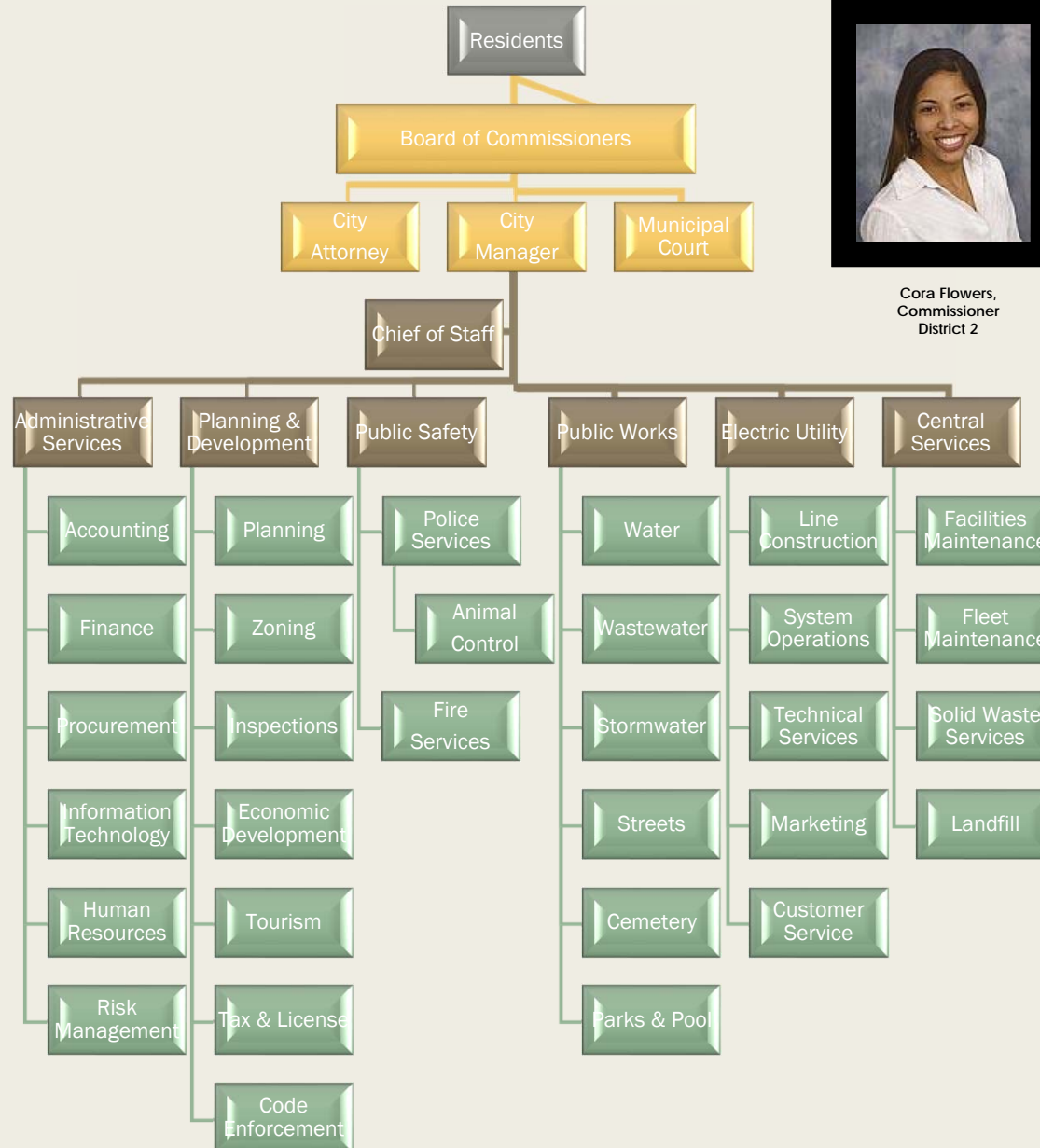
Rodney McCord,
Commissioner
District 6



David Brock,
Commissioner
District 4



Truman Tinsley III,
Commissioner
District 5



DEFINITIONS

- **Capital assets.** Land, buildings, equipment, machinery, works of art, infrastructure, etc., that are used in operations and that have initial useful lives extending beyond a single reporting period.
- **Deferred inflow of resources.** An acquisition of net position by the government that is applicable to a future reporting period.
- **Deferred outflow of resources.** A consumption of net position by the government that is applicable to a future reporting period.
- **Fund.** Fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.
- **Fund balance.** Net position of a governmental fund (difference between assets, liabilities, deferred outflows of resources, and deferred inflows of resources).
- **Governmental activities.** Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.
- **Net investment in capital assets.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of capital assets, net of accumulated depreciation, less debt associated with the acquisition, construction, or improvement of those assets. Deferred outflows of resources.
- **Net position.** The residual of all other financial statement elements presented in the statement of financial position.
- **Millage Rate.** The net ad valorem tax levy, in mills, that is established by the recommending or levying authority to be applied to the net assessed value of taxable property within such authority's taxing jurisdiction for purposes of financing, in whole or in part, the recommending or levying authority's maintenance and operating (M & O) expenditures. One mill equals \$1 for every \$1,000 of net assessed value or .001 times the Assessed Property Value.



DEFINITIONS

- **Restricted net position.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- **Unrestricted net position.** One of three components of net position that must be reported in both government-wide and proprietary fund financial statements. It is the difference between total net position and its two other components (net investment in capital assets and restricted net position).





PARAGON
CONSTRUCTION GROUP

POTATO CREEK WRRF
1050 SHELBY RD, 2018



PARAGON
CONSTRUCTION GROUP



PARAGON
CONSTRUCTION GROUP

POTATO CREEK WPCP
OCTOBER 19, 2018



Water in Your World



Photography Contest



Photo Contest Now Open!

Beginning this year, The City of Griffin Stormwater Management Division will host its first annual photo contest. With Griffin/Spalding County serving as home to many valuable water resources, the City of Griffin Stormwater Management Division seeks to promote awareness and good stewardship of these natural and beneficial features. Entries should focus on how water is important to you and is used in your everyday life. Twelve winning entries will be chosen and featured each month in the Stormwater Division's social media outlets as well as physically displayed throughout the year in various locations and events around Griffin.

Entry Guidelines:

Photographers of all ages and skill levels are welcome to submit Photographs.

Photographs must be taken within the geographical boundaries of Griffin/Spalding County.

Photographs:

- Must have been taken since January 2017
- No submittal of copyrighted material allowed
- Easily viewed at 8.5x11 inches
- Digital alteration beyond standard optimization will be disqualified
- Entry is subject to the free and uncensored use by the City of Griffin Stormwater Management Division. See full terms and conditions.

Submission: Digital Submissions Only

Upload directly to the City of Griffin website. Go to Departments - Public Works - Stormwater - Public Outreach and Education, or email to bmartin@cityofgriffin.com. A final option is to save to CD/DVD and mail to Stormwater Management, 100 S. Hill St., PO BOX T, Griffin GA 30224.

Dates:

Opening Day: February 19, 2018

Closing Day: April 20, 2018

Entry Fee: None

Judging: Submissions will be judged based on the following Criteria:

- Relevance of Subject and quality of composition
- Originality of photo
- Quality of photo
- Ability to convey the importance of water to you or your community

Photo Ideas: Natural and manmade water features/landscapes, wildlife and water, water recreation, water conservation/wise uses of water, stormwater/rain, and unfortunate/poor uses of water. Photos taken all months and all seasons of the year are highly encouraged.

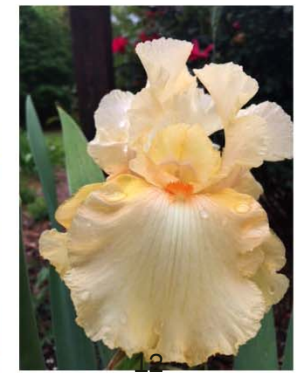
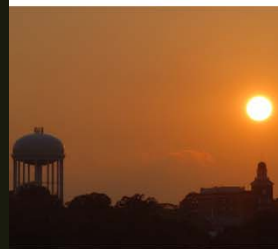
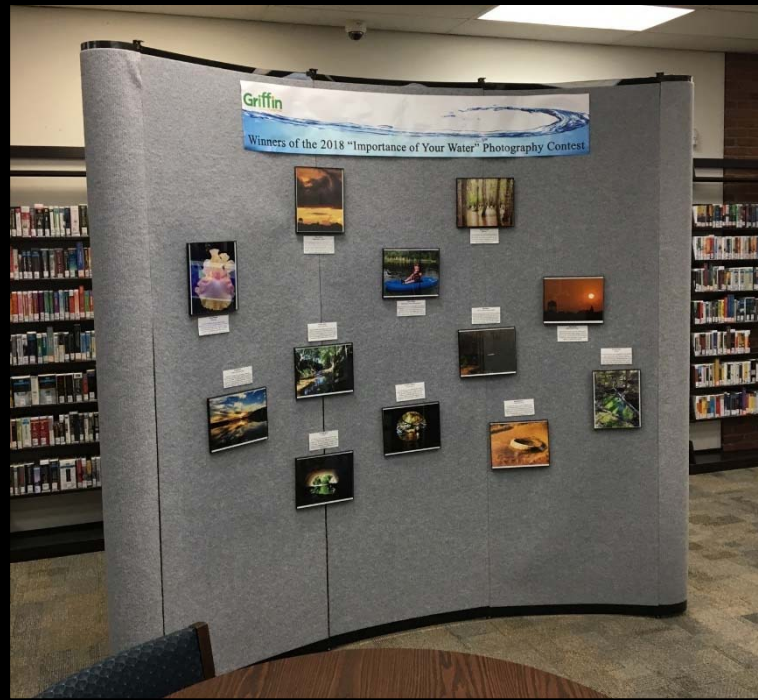
Prizes:

Top 12 photos will receive a prize and will be featured on the City webpage, Facebook and Instagram, as well as locations around the City.



For more Information, visit: www.cityofgriffin.com





FINANCIAL INFORMATION

The City's Net Position reflects financial strength and fiscal health as of June 30, 2018. Assets exceeded liabilities by \$150 million (not including deferred outflows). Total assets increased by \$18 million and the City's liabilities increased by \$2.5 million, largely due to debt issuance in Water Wastewater Utility Fund.

City of Griffin's Net Position as of June 30th

(in thousands of dollars... '000s)

	2018	2017	2016	2015	2014
Current and other assets	\$ 93,552	\$ 88,582	\$ 89,285	\$ 70,639	\$ 71,256
Capital assets	183,138	170,106	149,994	140,072	135,064
Total Assets	276,690	258,688	239,279	210,711	206,320
Deferred outflows of resources	6,407	5,320	7,027	4,871	3,967
Other liabilities	13,303	11,111	13,688	10,676	11,155
Long-term liabilities outstanding	113,448	113,186	101,123	86,668	90,356
Total Liabilities	126,751	124,297	114,811	97,344	101,511
Deferred inflows of resources	3934	97	-0-	1,419	-0-
Net position:					
Net investment in capital assets	96,620	85,540	86,575	75,008	67,276
Restricted	18,026	17,790	15,484	10,184	12,210
Unrestricted	37,766	36,285	29,436	31,627	29,290
Total net position	\$ 152,412	\$ 139,615	\$ 131,495	\$ 116,819	\$ 108,776

FINANCIAL INFORMATION

The City's Changes in Net Position reflects all the financial activity for the City during the fiscal year ended June 30, 2018. This statement presents information to show how the City's net position changed during the year as a result of financial activity (i.e. revenues and expenses). This is a summarized version of the more detailed statement found in the City's complete Comprehensive Annual Financial Report.

Changes in Net Position for the Fiscal Year Ended June 30th

(in thousands of dollars... '000s)

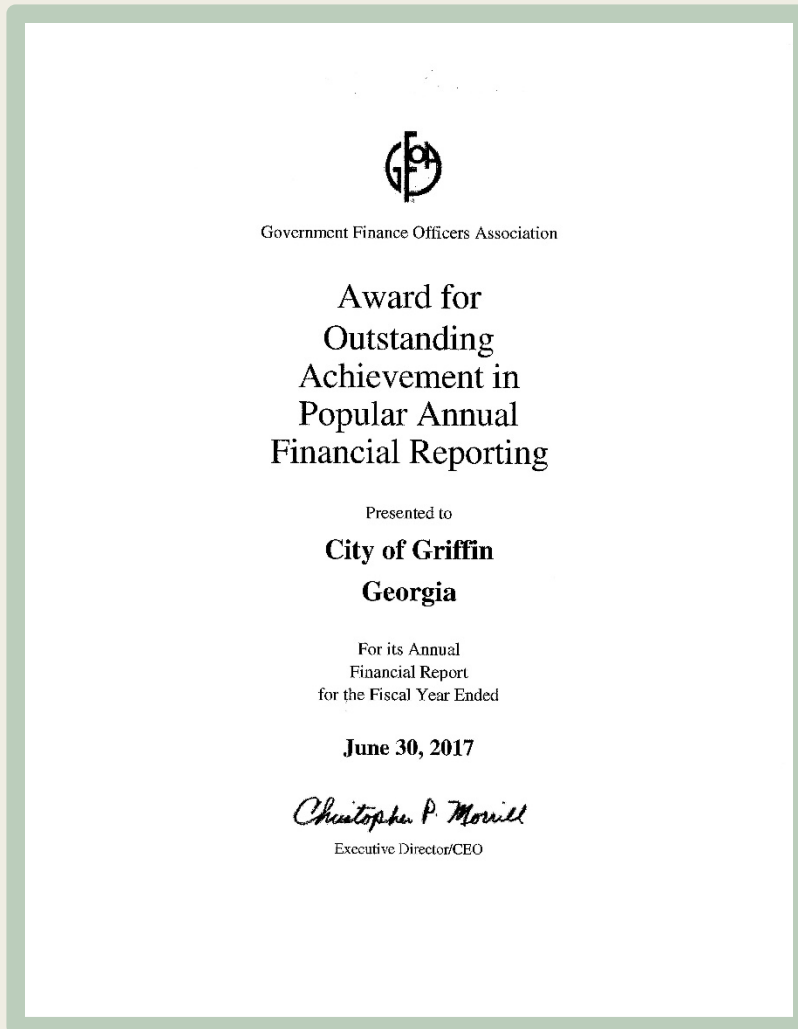
	2018	2017	2016	2015	2014
Revenues	\$ 106,744	\$ 102,349	\$ 104,369	\$ 97,118	\$ 98,055
Less: expenses	92,519	94,229	89,693	89,074	88,323
Special item:					
Transfer Assets to Airport Authority	0	0	0	0	-3,153
Increase (decrease) in net position	14,225	8,120	14,676	8,044	6,579
Prior period adjustment	-1,427	0	0	0	-17,750
Net position, beginning as restated	139,615	131,495	116,819	108,775	119,946
Net position, end of year	\$ 152,413	\$ 139,615	\$ 131,495	\$ 116,819	\$ 108,775

This statement shows that the City's change net position increased each year for the past five years. This reflects a strong fiscal mindset and stewardship in areas that fund future capital improvements. Revenues increased \$ 4.4 million from 2017, and expenses decreased \$ 1.7 million.

Prior period adjustments: GASB Statement No. 68 (2014) and GASB Statement No. 75 (2018) required governments providing defined benefit pensions and other post employment benefits to recognize the related long-term obligations.

EXCLUDES COMPONENT UNIT revenue of \$7.98M and expense of \$1.28M. See CAFR page 14 for component units.

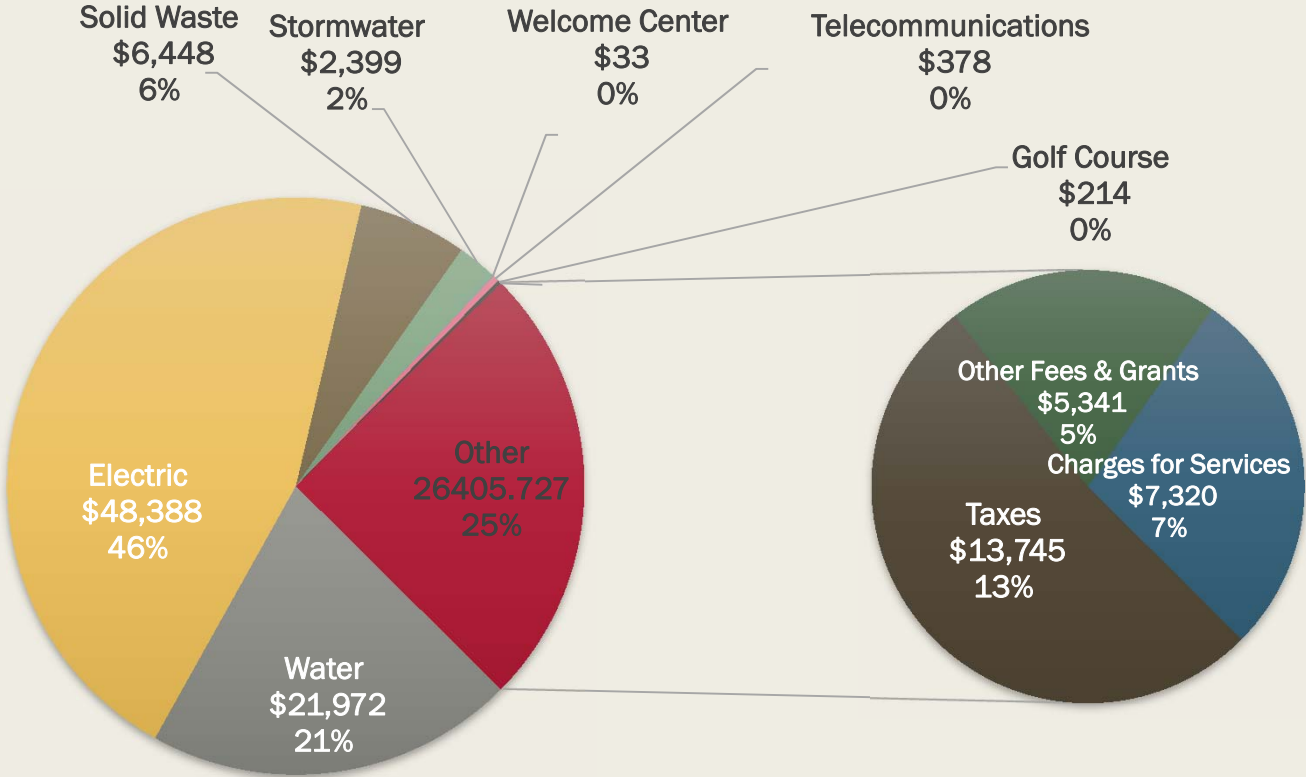
AWARDS



Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for Comprehensive Annual Financial Report (CAFR) – 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005, and 2004

Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Financial Reporting (PAFR) – 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, and 2006

FINANCIAL INFORMATION



Revenues

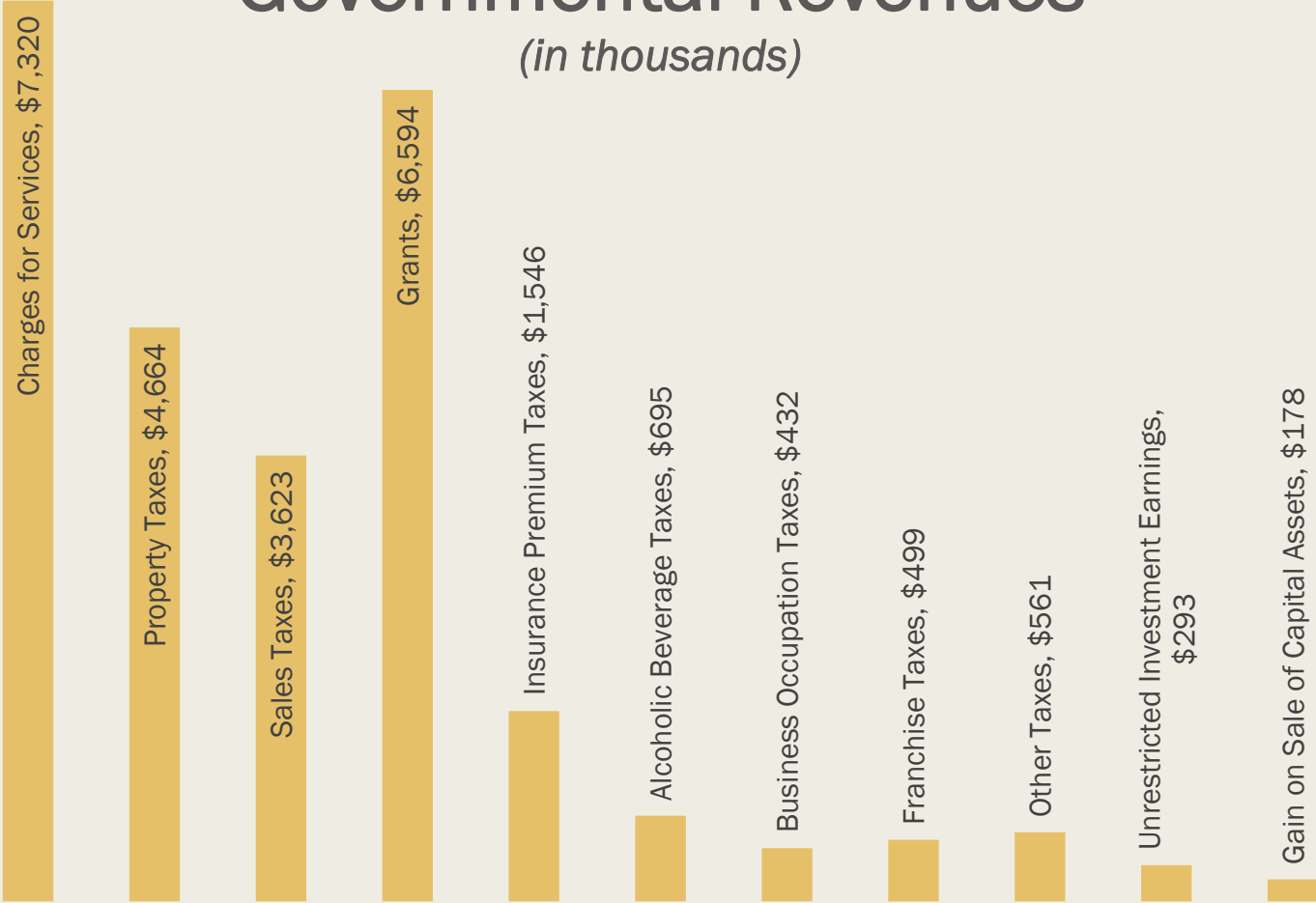
(in thousands)

Data comes from governmental activities reported in the Government-wide statements.
See Comprehensive Annual Financial Report, page 14.

FINANCIAL INFORMATION

Governmental Revenues

(in thousands)

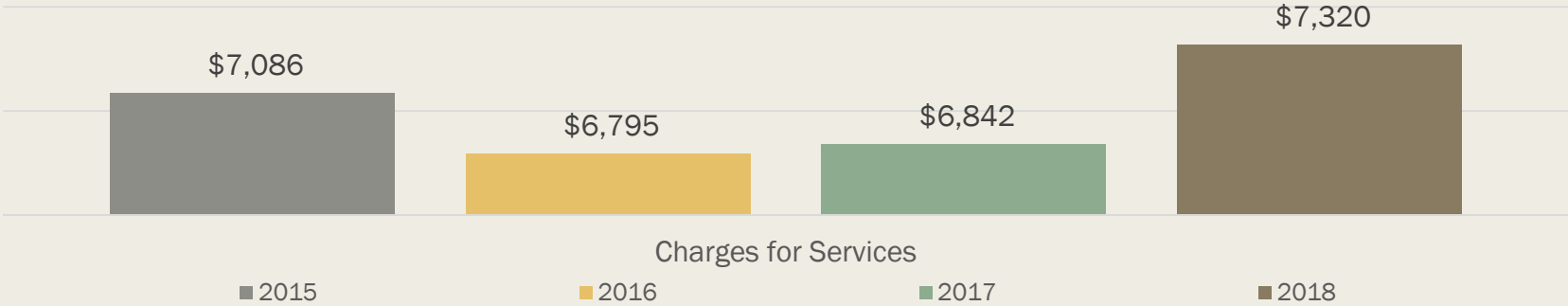


Data comes from governmental activities reported in the Government-wide statements.
See Comprehensive Annual Financial Report, page 14.

FINANCIAL INFORMATION

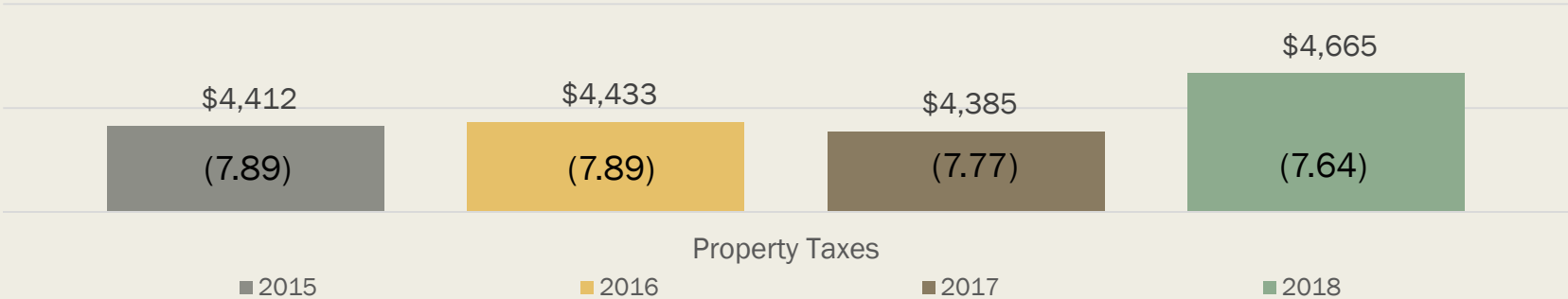
Governmental Revenues by Year

(In thousands)



Charges for Services increased mainly in Fine and Forfeiture collections, and increased activity in License and Permits.

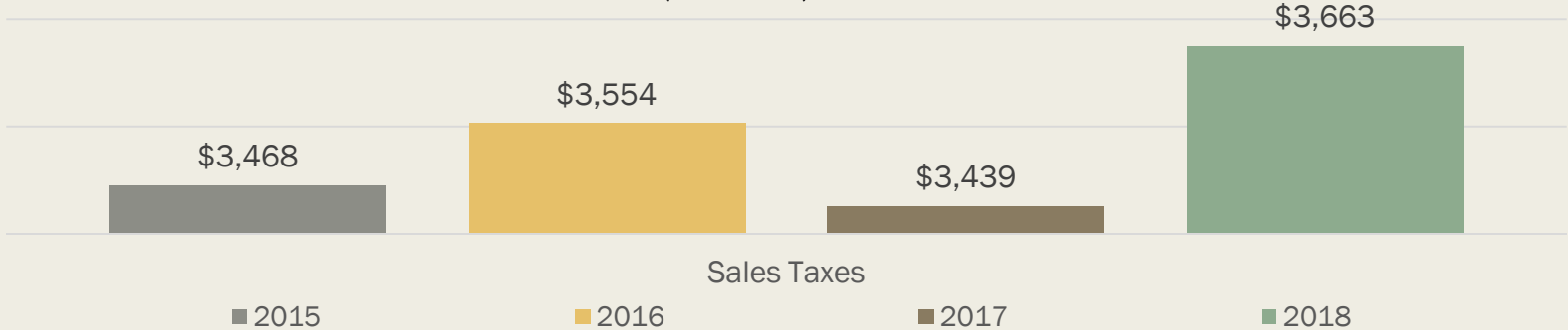
Property Tax revenue increased 6 percent over last year even with the Board’s downward pressure on the City’s millage rate (shown in parentheses).



FINANCIAL INFORMATION

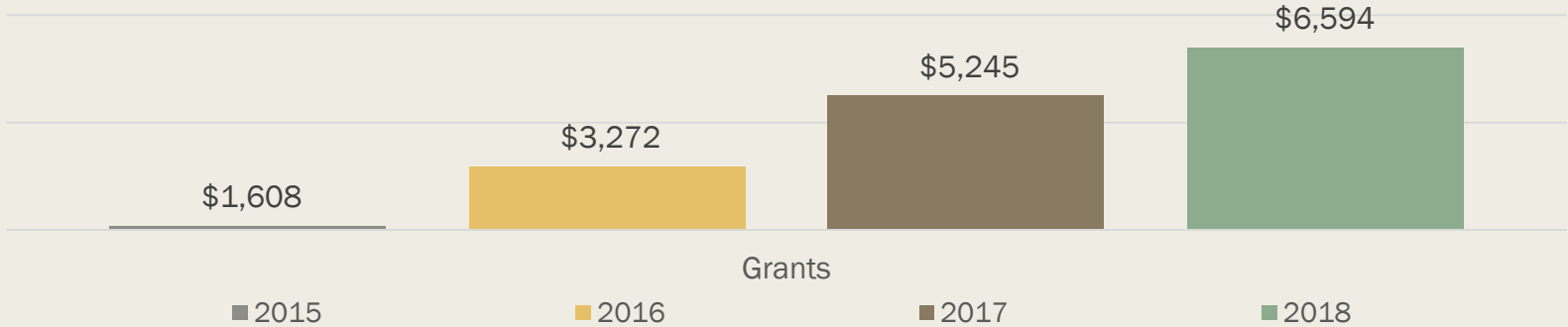
Governmental Revenues by Year

(In thousands)



Sales tax revenues continue on a steady pace despite the year to year fluctuations. We anticipate slight increases over the next few years.

Grant revenues continue to benefit the City as we continue to apply for more infrastructure, and Community Development Block Grants.



FINANCIAL INFORMATION

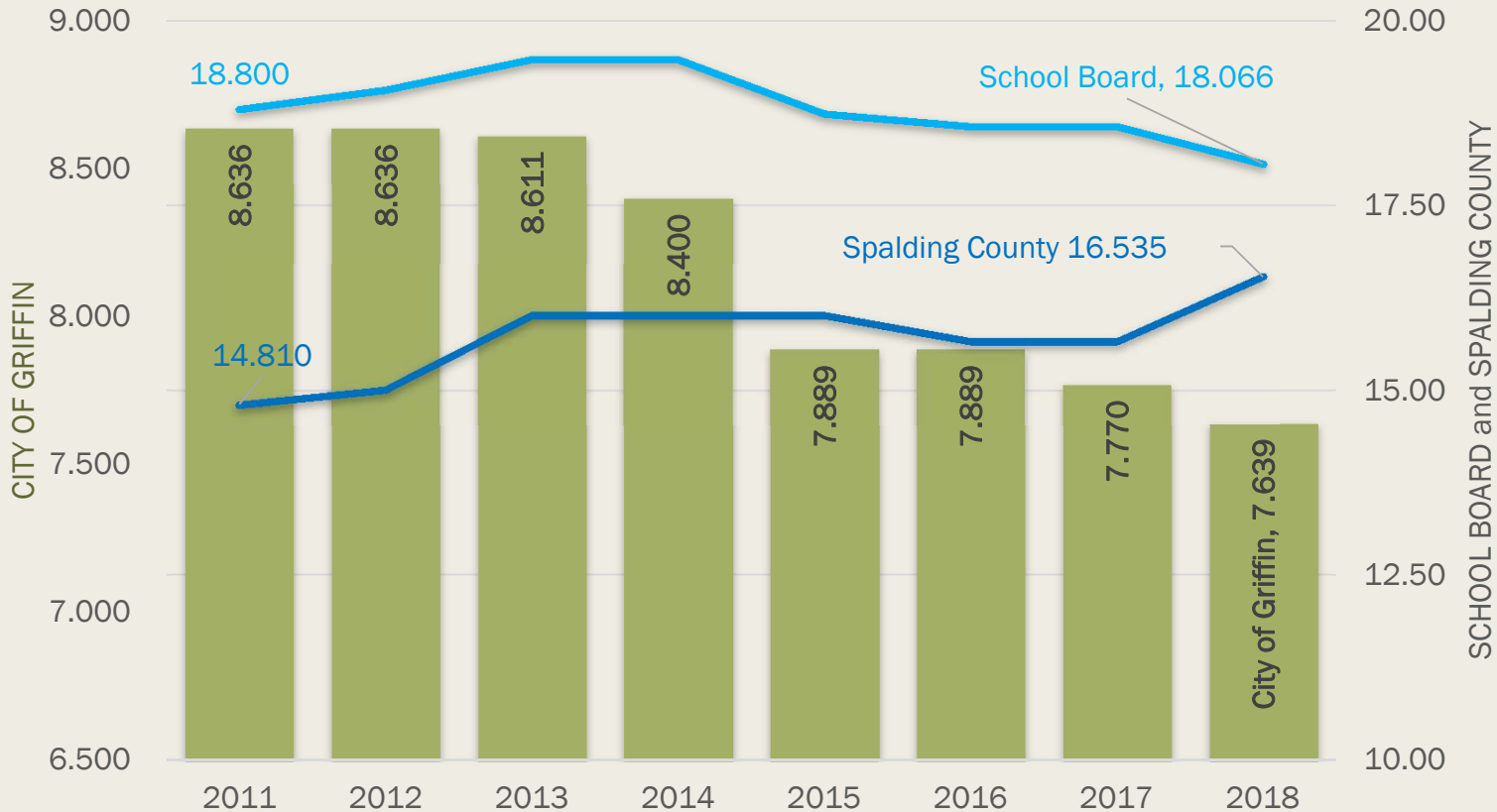
PROPERTY TAX REVENUE History by Fiscal Year



2014 was the first year for Title Ad Valorem Tax (TAVT) on motor vehicles. TAVT collections exceeded expectations by \$300 thousand. In subsequent years, TAVT decreased \$125 thousand each year for 2015, 2016 and 2017. Coupled with a hospital converting to not-for-profit, thereby reducing the tax digest, overall collections dropped by \$500 thousand in 2015. Subsequent year decrease is due to reduced TAVT collections. (99 out of 165 municipalities experienced TAVT losses - Georgia State University Fiscal Research Center, Analysis of Georgia's TAVT 2016-16, Laura Wheeler, September 26, 2017).

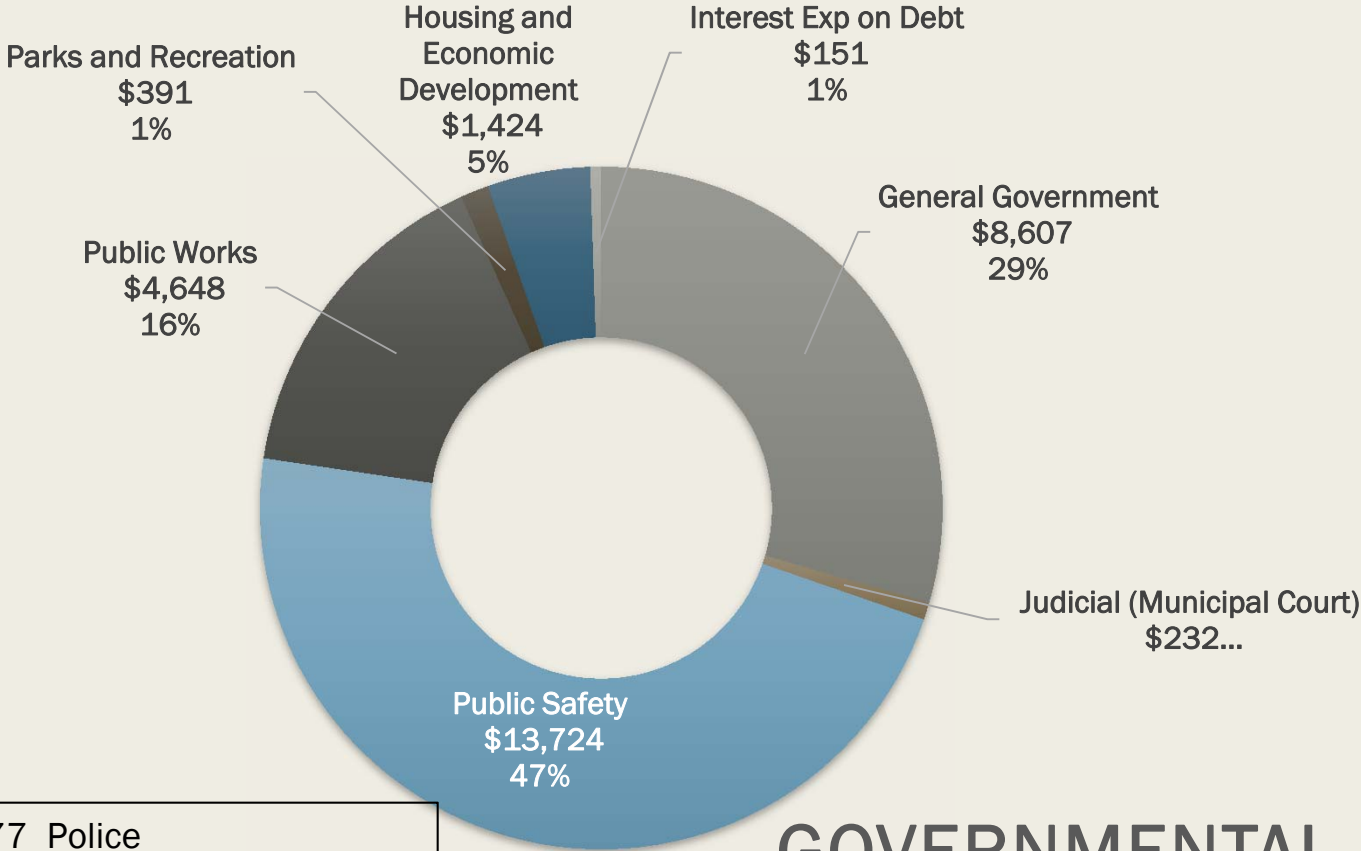
FINANCIAL INFORMATION

PROPERTY TAX MILLAGE RATES



Data comes from Statistical Section, page 116, of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION



\$ 8,477	Police
5,120	Fire
<u>127</u>	Other Safety Services
\$ 13,724	Total Public Safety

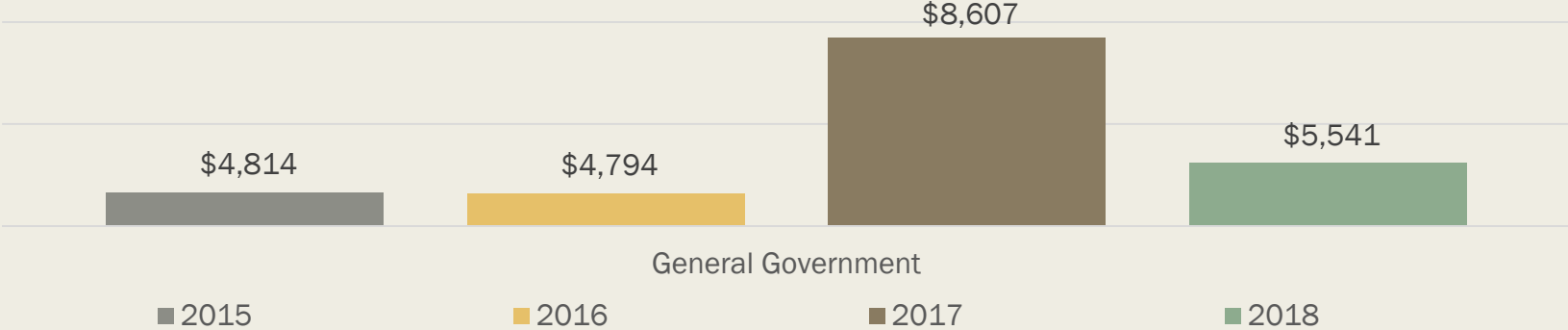
GOVERNMENTAL EXPENSES

(In thousands)

Data comes from governmental activities reported in the Government-wide statements. Comprehensive Annual Financial Report, page 14.

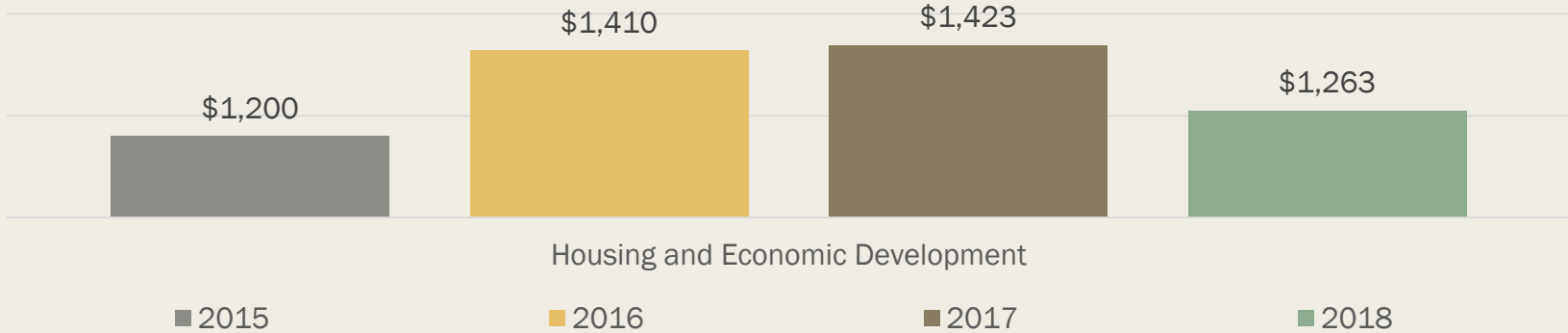
FINANCIAL INFORMATION

Governmental Expenses by Year *(in thousands)*



General Government expenses increased \$3.8M from 2016 to 2017. Of that increase, \$3.3M to recognize the City’s share (fifty percent) of Griffin-Spalding Airport Authority bonded debt obligation.

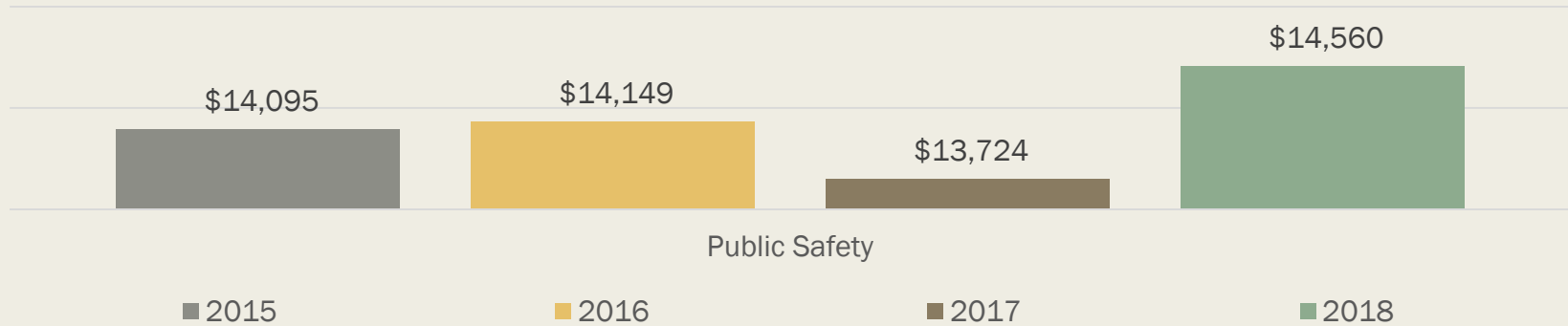
Housing and Economic Development increased \$200K from 2015 to 2016 as part of Blight Abatement program. Expenses remained constant from 2016 to 2017 and then tapered off in 2018.



FINANCIAL INFORMATION

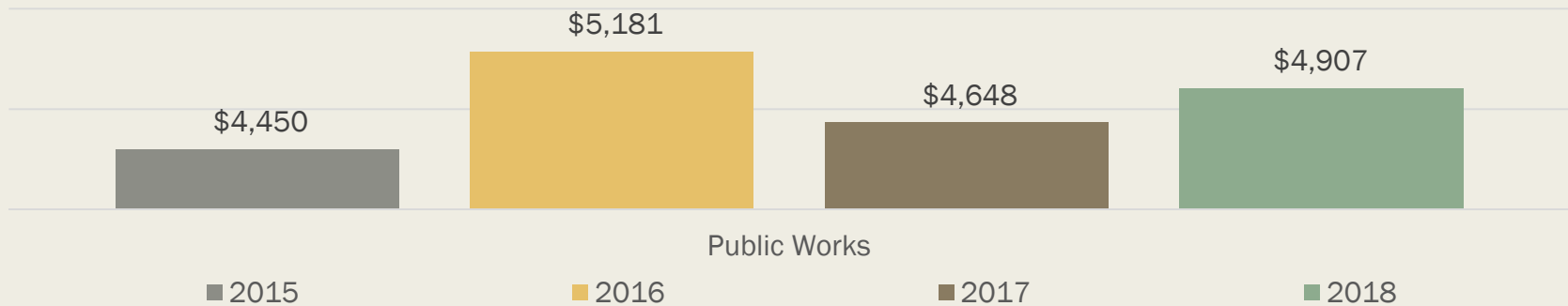
Governmental Expenses by Year

(in thousands)



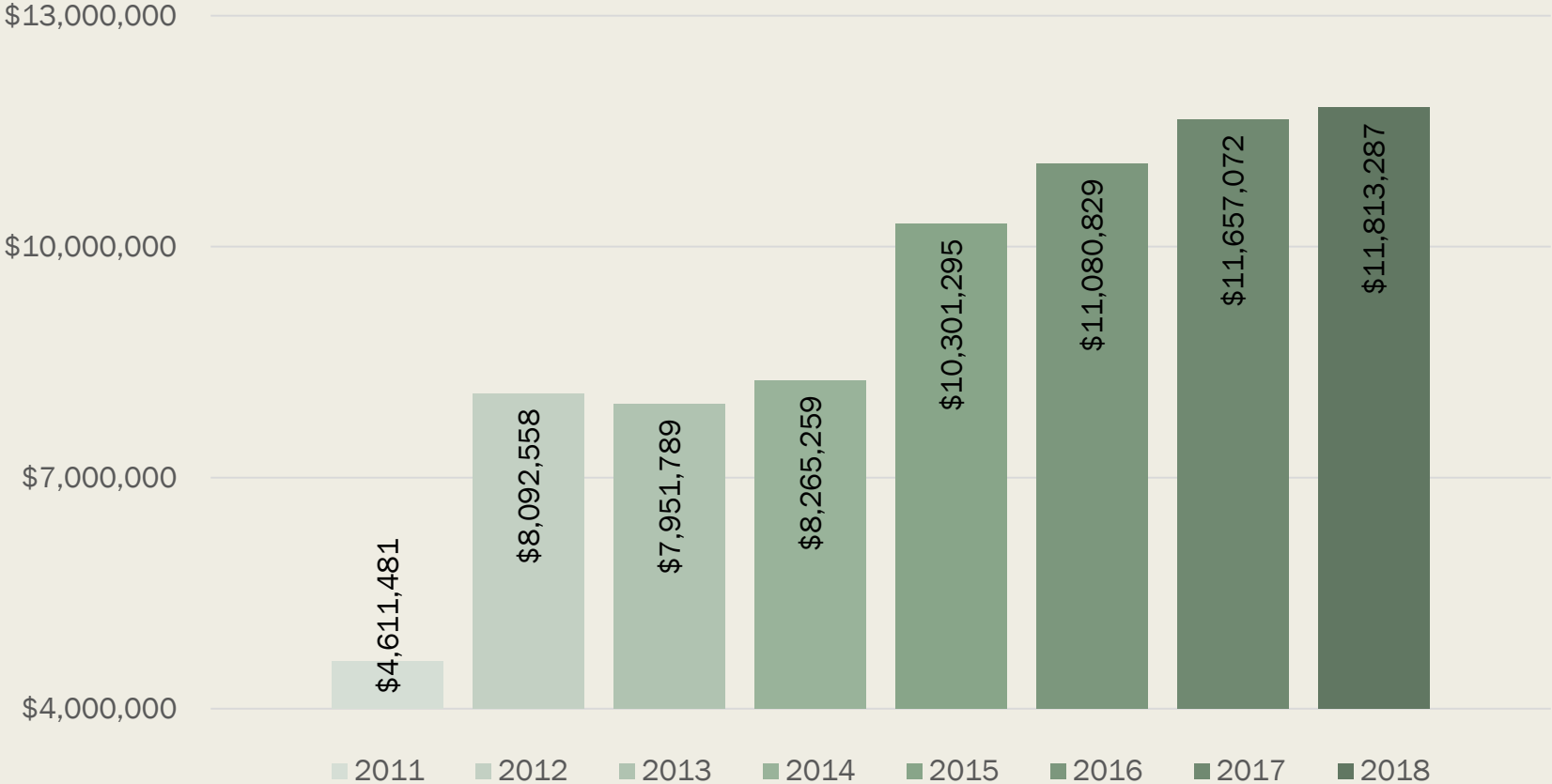
Public Safety expenses decreased \$1.1M from 2016 to 2017. In 2016 the Fire Department purchased a ladder truck for \$1.1M. In 2017 the Fire Department sold an old unit for \$200K. The remaining increase is due to increased costs for Inmate Custody program for \$249K, and various operating cost increases. 2018 saw an increase in Police car replacements and added car/body cameras.

Public Works expenses decreased \$533K from 2016 to 2017 resulting from capital purchase(s) in 2016 and operational cost efficiencies implemented in 2017. Expenditures increased in 2018 stemming from vehicle replacements.



FINANCIAL INFORMATION

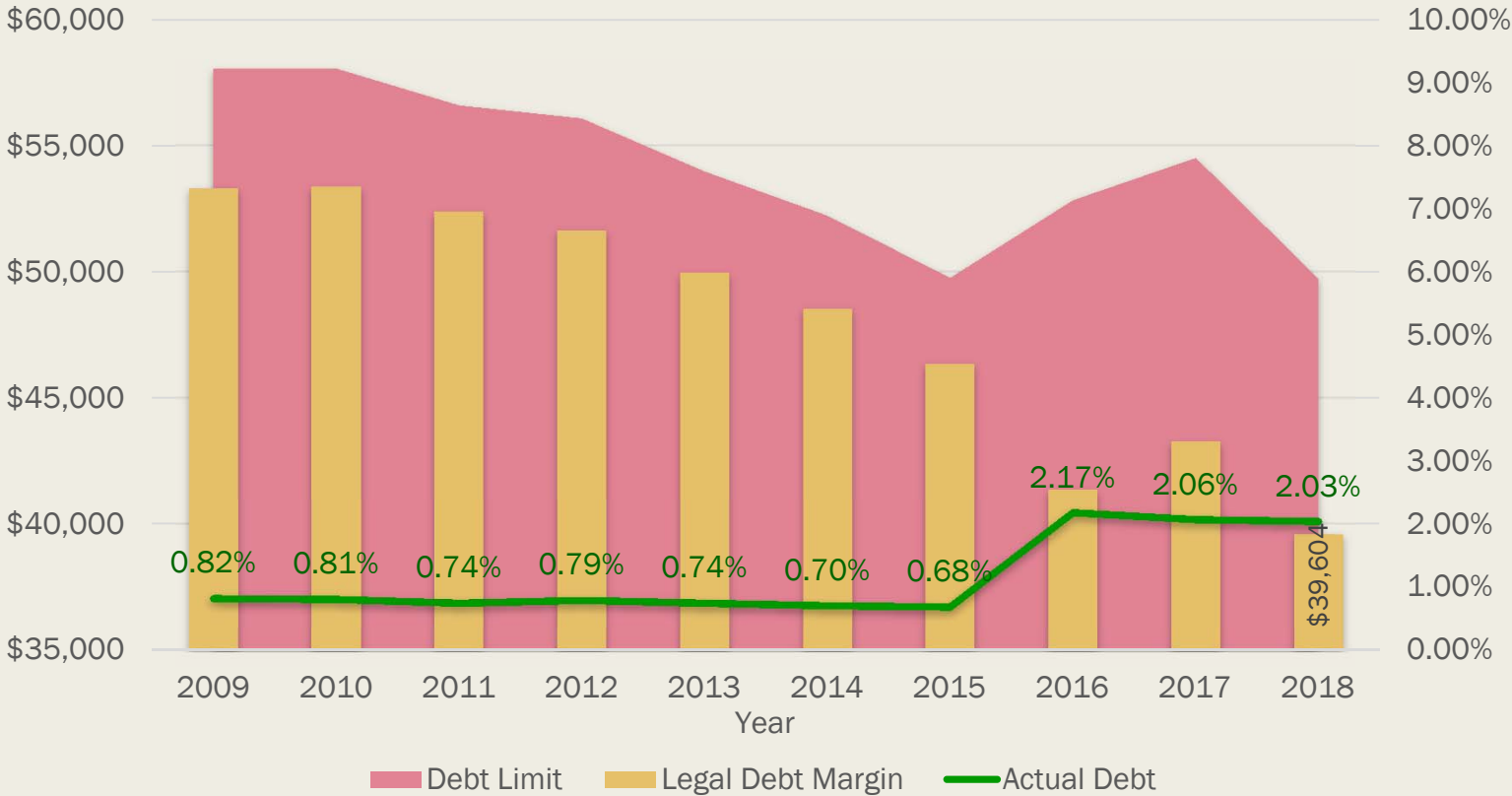
General Fund FUND BALANCE HISTORY by Fiscal Year



Data comes from Statistical Section, page 121, of the Comprehensive Annual Financial Report.

FINANCIAL INFORMATION

LEGAL DEBT MARGIN Last Ten Fiscal Years *(in thousands)*



Debt Limit (\$49.7M) represents 10 percent of Total Taxable Assessed Property Value. Legal Debt Margin is the City's capacity for additional (\$39.6M) in debt. Actual Debt is (\$10.1M or 2.03 percent) well under the 10 percent limit. Data comes from Statistical Section, page 134, Comprehensive Annual Financial Report.

COMPONENT UNITS

City of Griffin Main Street Association (Main Street):

The City Commission appoints several positions of the Main Street's board with additional positions being appointed by various organizations. There are 12 members plus two ex-officio officers. Budget requests for Main Street are submitted to the City Commission for approval, with the City possessing the authority to amend the budget. The City provides approximately 80 percent of Main Street's annual operating budget. The Main Street program serves as a "community-driven" initiative focused on revitalizing older and more traditional business districts. The underlying premise of the Main Street concept is to encourage and foster economic development within the context of historic preservation in ways that are appropriate for today's marketplace.

City of Griffin Downtown Development Authority (DDA):

The City Commission appoints all seven members of the DDA's board (one of which is an elected official of the City Commission). Budget requests for the DDA are submitted to the Commission for approval, with the City Commission possessing authority to revise the budget. The DDA is responsible for the revitalization strategy for Downtown Griffin. The DDA's mission is to encourage economic activity in Griffin's central business district by attracting businesses, residents, and visitors. The DDA works closely with the City's Planning and Development Department and Main Street program in assisting new businesses through the permitting process.



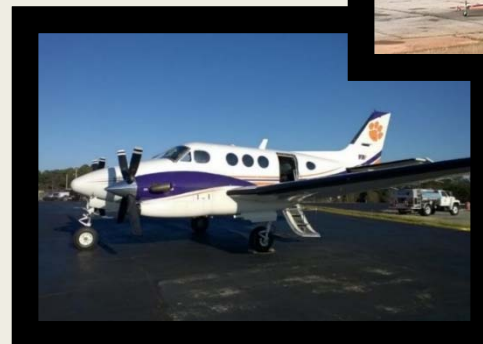
COMPONENT UNITS

Griffin-Spalding Business and Tourism Association (GSBTA):

The City of Griffin and Spalding County Board of Commissioners appoint all members of the GSBTA board. Board members consist of a City Commissioner and the City Manager, ex officio, among others. Until June 18, 2018, budget requests for GSBTA were submitted to the Commission for approval. The Executive Director was also an employee of the City until June 18, 2018. Since that date and in continuity, GSBTA is an independent organization with its own accounting functions, hiring processes, and employees. As a not-for-profit organization, the GSBTA's purpose is to promote business, tourism, trade, and business conventions for the City and County. The GSBTA has provided tourism initiatives, brochures, and other marketing materials and paid for training and conference registrations to increase awareness of the city of Griffin and Spalding County for both tourism and economic development purposes. The GSBTA is solely devoted to economic development through business attraction and retention; tourism; redevelopment; and other special events and projects to promote the city of Griffin and Spalding County.

Griffin-Spalding County Airport Authority (the Airport Authority):

The Georgia General Assembly, via House Bill 1261 and Act 536, created the Griffin-Spalding County Airport Authority effective July 1, 2012. The City Commission appoints five of the nine member Airport Authority board. The City and County have mutually agreed to fund one-half of the annual shortfall in revenues required to fund the Airport Authority's budget in future years. Due to these factors and due to the City maintaining the administrative functions of the Authority, the City has elected to include the Airport Authority operations as a component unit of the City. Separate financial statements for the Airport Authority are not prepared.



PURPOSE OF REPORT

The purpose of the Popular Annual Financial Report (PAFR) is to provide an overview of the financial position of the City of Griffin, as reported in the City's Comprehensive Annual Financial Report (CAFR), along with other information of interest. The financial information presented here is in summarized and condensed form and does not substitute for the City's CAFR. The CAFR outlines the City's financial position and operating activities each fiscal year presented in conformity with generally accepted accounting principles (GAAP). The PAFR does not conform to GAAP and associated standards as set forth by the applicable governing bodies, but is suitable for those readers who prefer an overview or summary of the City's government and its financial condition. Some of the information is from the City's Annual Budget. The City's CAFR received the award for outstanding financial reporting from the Government Finance Officers Association.

The CAFR, Annual Budget, and PAFR are available at City Hall and the City's website at www.cityofgriffin.com.

CONTACT INFORMATION							
Accounting	770.229.6401						
Administrative Services	770.229.6425	Customer Service / Billing	770.229.6403	FOG (Fats Oils Grease)	678.692.0404	Sign Shop	770.229.6632
Airport	770.227.2928	Downtown Development	770.233.2901	Fleet Management	770.233.4399	Solid Waste	770.229.6421
Building Inspections & Permits	770.233.4130			Human Resources	770.229.6400	Storm Water	770.229.6424
Building Safety	770.233.4130	Fire Rescue	770.229.6415	Information Technology	770.229.6614	Streets	770.229.6413
Cemetery	770.229.6410	Station One- 314 North Hill Street	770.229.6417	Planning & Development	770.233.4130	Tax and License	770.229.6402
City Manager	770.229.6408	Station Two - 1430 Ellis Rd.	770.229.6416	Police	770.229.6450	Trash Collection	770-229-6421
Code Enforcement	770.233.4130	Station Three- 101 Crescent West	770.229.6414	Public Works	770.229.6424	Water Wastewater	770-229-6423







- Thinking, **TOGETHER**
- Celebrating, **TOGETHER**
- Thriving, **TOGETHER**
- Playing, **TOGETHER**
- Working, **TOGETHER**
- Helping, **TOGETHER**
- Learning, **TOGETHER**
- Shopping, **TOGETHER**
- Exploring, **TOGETHER**
- Achieving, **TOGETHER**
- Discovering, **TOGETHER**
- Building, **TOGETHER**
- Creating, **TOGETHER**

City of Griffin
100 South Hill Street
P.O. Box T
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www.cityofgriffin.com